

GENSOURCE PROVIDES UPDATE ON ITS VERTICALLY INTEGRATED BUSINESS PLAN AND NEXT STEPS

SASKATOON, Saskatchewan – July 28th, 2015 – Gensource Potash Corporation (“**Gensource**” or the “**Company**”) (**TSX.V: GSP**) is pleased to provide an update on its vertically integrated business plan and the development of the Lazlo Project.

As announced March 17, 2014, Gensource has been working with a market partner, Arizona Agropecuaria (“**Arizona**”), to create a vertically integrated business structure to allow the direct manufacture and shipment of potash fertilizer from a scalable, dedicated mine in Saskatchewan to a specific market in Brazil. Following preliminary business negotiations, work began in January, 2015, to identify the specific end users in Brazil interested in participating in this approach to potash supply – a novel approach within the potash industry.

From that work, Gensource is pleased to announce that it has signed a follow-on non-binding letter of intent (LOI) with Arizona, including a form of definitive offtake agreement. The LOI defines the high-level relationships of the parties and the intended business structures that will allow for the most direct and efficient delivery of product to end-users. The LOI also identifies opportunities for capital market participants and/or Arizona, to fund the Saskatchewan operation.

Arizona is now in the process of signing interested end users. If this proceeds satisfactorily, definitive agreements will be settled with customary terms and conditions, including funding budgets.

As a precaution, Gensource notes that there can be no assurance that the arrangements with Arizona can be completed on mutually satisfactory terms or at all. None of the agreements are yet binding and definitive terms have not been settled.

Lazlo Project:

As part of the development of the Lazlo Project, Gensource hosted a public open house in Craik on July 15th, 2015 to communicate to the local residents information about the project to provide a solid understanding amongst all stakeholders of the extent and potential impacts of the project. Key project information was provided and a general question and answer period ensued, where local residents posed many informed and insightful questions. Gensource’s full management team and board of directors were in attendance to respond and discuss the project. Gensource management left the meeting with a sound understanding of the concerns of the community and a clear view that the selective mining and enhanced recovery processes to be used at Lazlo provide a significant advantage

over traditional technologies with respect to the size of the project and its impact on both the local community and the environment.

Financing:

Gensource will begin a new financing effort in September, both in Canada and Brazil. In order to complete the development of the Lazlo Project, Gensource will require two further tranches of development financing: 1) Resource Confirmation and Preliminary Economic Assessment: approximately \$3M of Canadian Exploration Expenses ("CEE") flow through financing will be required to fund drilling and 3D seismic work, as well as approximately \$1M in additional financing to fund activities not classified as CEE; and, subject to a satisfactory preliminary economic assessment, 2) Feasibility Study: approximately \$5-7M to complete the environmental and regulatory process, complete a detailed feasibility study and complete the required land control and leasing work. Gensource estimates that this work can be completed within a 6-8 month time span and, when complete, will allow for a construction decision to be made.

The Lazlo Project is an early stage development, so no commercial operations exist at this time. The determination of the prospects for commercial operations at the Lazlo Project is dependent upon a feasibility study demonstrating economic and technical viability.

About Gensource

Gensource is based in Saskatoon, Saskatchewan and is focused on developing the next potash production facility in that province. Gensource's President and CEO, Mike Ferguson, P.Eng., has assembled a management and technical team with direct and specific expertise and experience in potash development in Saskatchewan.

Gensource operates under a business plan that has two key components - vertical integration with the market to ensure that all production capacity built is directed to a specific market, eliminating market-side risk; and, technical innovation which will allow for a small *and* economic potash production facility, the output of which can then be directed to a single, specific market.

The scientific and technical information contained in this news release was prepared by or under the supervision of Mike Ferguson, P.Eng., who is the President and Chief Executive Officer of Gensource and a "qualified person" under National Instrument 43-101.

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